

The Director of Central Intelligence

Washington, D.C. 20505

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12 JAN 1982

The Honorable James G. Watt
Secretary of the Interior
Washington, D.C. 20240

Dear Jim:

I am writing to call your attention to the World Energy Program, a relatively new effort at the US Geological Survey that has been of great help to the Agency over the past few years. We recently learned that this program might not be funded by your department in FY1983. Basic geologic research on Soviet and Chinese petroleum and on Soviet uranium by USGS plays an important role in supporting our estimates of the energy outlook for those countries. Loss of this support will hurt CIA's research effort.

Since its inception, the World Energy Program has been a steady contributor to our analysis of Soviet oil prospects. More recently, the program has shown promise of assisting us in a similar way with our work on Chinese oil and Soviet uranium. As you are well aware, these research areas reflect key intelligence issues of keen national security concern. The contribution from USGS is now more important than ever. Increasingly, the Soviets--as well as other countries--have limited our access to data that would allow CIA to make accurate estimates of their energy supplies. To fill the gap, our analysts have designed estimative methodologies that depend on detailed geologic and engineering assessments for their validity. In this process, CIA has looked to your World Energy Program for a significant portion of the basic geologic data and associated analysis needed to make its estimates.

Consequently, we believe the USGS World Energy Program--and, in particular, its research on Soviet and Chinese energy sources--is an important effort that needs to continue. That such research is performed at USGS only increases its worth in terms of quality and professional acceptance, and we are convinced this contribution would be difficult to replace.

Yours,

/s/ William J. Casey

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